

COUNTY EMPLOYEES' ANNUITY & BENEFIT FUND OF COOK COUNTY
And Ex-Officio for the
FOREST PRESERVE DISTRICT ANNUITY & BENEFIT FUND
MEETING OF THE BOARD OF TRUSTEES
33 N. DEARBORN STREET-ROOM 1000
CHICAGO, ILLINOIS 60602

Minutes for November 4, 2010 Meeting of the Board

The County Fund and the Forest Preserve District Fund are herein collectively referred to as the "Fund".

Call to Order and Roll Call.

Trustees Present: Robert Agnes, Clem Balanoff, Robert Benjamin, John E. Fitzgerald, William Granberry, Mark Kilgallon, Patrick McFadden, Constance M. Kravitz

Staff Present: Daniel R. Degnan, Executive Director, Penny Finch, Chief Operating Officer, Nickol Hackett, Chief Investment Officer, Michael Maratea, Director of Finance, Colleen Lakis, Comptroller, Paul Rzeszutko, Director of Annuity Benefit, Sharon Ryan, Office Manager

Others Present: Mary Pat Burns, Burke, Burns & Pinelli, Commissioner Gainer, Cook County Commissioner, Christine M. Trzos, Annuitant, Dana Kurtz, Kurtz Law Offices, LTD., Maria Thompson, M.R. Beal, Angela Myers, Loop Capital, Sharon Piet, Podesta, Vito Laera, Cabrea Capital

Mr. Kilgallon presided.

1. Review and Consideration of:

a. October 6, 2010 Board Meeting Minutes.

It was moved by Trustee Benjamin and seconded by Trustee Balanoff that the minutes of the October 6, 2010, Board Meeting be adopted as amended.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Bills, Payroll Records, Annuities, Spouse & Child Annuities, Ordinary & Duty Disabilities and Refunds.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the presented payroll, bills and recommendations for annuities, disabilities and refunds be approved.

Roll Call Vote:

AYES: Balanoff, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

2. 2010 Trustee Election.

a. Report of Independent Election Administrator.

It was moved by Trustee Benjamin and seconded by Trustee Kravitz that the Report of the Independent Election Administrator dated November 4, 2010, be accepted as a true and accurate report of the results of the election held on October 27, 2010, and consistent therewith, that Clem Balanoff was duly elected as the Cook County Employee Member Trustee; that Robert Janura was duly elected as the Forest Preserve District Annuitant Member Trustee and that John E. Fitzgerald was duly elected as the Cook County Annuitant Member Trustee.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Proclamation of Election and Declaration of the Winner of the Cook County Employee Member Election Held on October 27, 2010.

It was moved by Trustee Benjamin and seconded by Trustee Kravitz that the Proclamation of Election and Declaration of the Winner of the Cook County Employee Member Election Held on October 27, 2010, be accepted and, consistent therewith, that Clem Balanoff be declared the winner of that election and that he be administered and execute the Oath of Office. It is further moved that the Fund's staff take all action necessary to file a copy of the executed Oath of Office with the Cook County Clerk as required by Section 5/9-186 of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

c. Proclamation of Election and Declaration of the Winner of the Cook County Forest Preserve District Annuitant Member Election Held on October 27, 2010.

It was moved by Trustee Benjamin and seconded by Trustee Kravitz that the Proclamation of Election and Declaration of the Winner of the Cook County Forest Preserve District Annuitant Member Election Held on October 27, 2010, be accepted and, consistent therewith, that Robert Janura be declared the winner of that election and that he be administered and execute the Oath of Office. It is further moved that the Fund's staff take all action necessary to file a copy of the executed Oath of Office with the Cook County Clerk as required by Section 5/9-186 of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

- d. Proclamation of Election and Declaration of the Winner of the Cook County Annuitant Member Election Held on October 27, 2010.

It was moved by Trustee Benjamin and seconded by Trustee Kravitz that the Proclamation of Election and Declaration of the Winner of the Cook County Annuitant Member Election Held on October 27, 2010, be accepted and, consistent therewith, that John E. Fitzgerald be declared the winner of that election and that he be administered and execute the Oath of Office. It is further moved that the Fund's staff take all action necessary to file a copy of the executed Oath of Office with the Cook County clerk as required by Section 5/9-186 of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

At this time Trustee Agnes entered the meeting.

At this time Trustee Kilgallon recognized Cook County Commissioner Bridget Gainer. Commissioner Gainer discussed the need for an actuarial impact analysis in order to address long term funding issues. Trustee Kilgallon indicated that any analysis should include the impact of all factors on funding, including employee contributions, employer contributions and reduced benefits. The Trustees expressed concern over incurring costs for an analysis that only looks at one factor and that may not be allowable under the Illinois Constitution. They also expressed their desire to form a working group with the County in order to properly address the funding issues. Trustee Kilgallon thanked Commissioner Gainer for her time and she departed.

3. Trustee Vacancy.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden to defer the matter.

Roll Call Vote:

AYES: Agnes, Fitzgerald, McFadden

PRESENT: Kravitz

NAYS: Balanoff, Benjamin, Granberry, Kilgallon

Vote Result: MOTION FAILED

It was moved by Trustee Fitzgerald and seconded by Trustee Kravitz that the Board convene an Executive Session pursuant to Section 2(c)(3) of the Open Meetings Act, 5 ILCS 120, to discuss filling the vacancy.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee Granberry that the Executive Session be adjourned and that the Board return to open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee Benjamin and seconded by Trustee Granberry pursuant to Section 5/9-187 of the Pension Code, that the vacancy created by the resignation of County Employee Member Trustee Antoinette Williams, be filled by Ms. Karen Crawford, to serve for the remainder of the unexpired term.

Roll Call Vote:

AYES: Balanoff, Benjamin, Granberry, Kilgallon, Kravitz

PRESENT: Agnes

NAYS: Fitzgerald, McFadden

Vote Result: MOTION ADOPTED

4. Administrative Matters.

a. Data Exchange.

It was moved by Trustee Kravitz and seconded by Trustee Fitzgerald that the Funds share current member and annuitant data with reciprocal Illinois Pension Funds, by transmitting such data bi-annually; to the State University Retirement System ("SURS") data center in Champaign, Illinois, and that the Funds' staff take all action reasonably necessary to effectuate the foregoing.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Travel Expense.

c.

It was moved by Trustee Benjamin and seconded by Trustee Kravitz, consistent with the recommendations of the Fund's professional staff and the Fund's counsel, that the expenses, including any associated travel expenses, incurred by Ms. Penny Finch, in attending the International Foundation's Benefits Conference for Public Employees on March 7-8, 2011, in San Antonio, Texas, at a cost of \$2,000.00 be approved provided that reimbursement be consistent with the Fund's Travel Expense and Reimbursement Policy.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

5. Legislative Matters.

a. Veto Session – SB 1946 Trailer Bill.

Mr. Degnan informed the Board that the technical corrections bill for SB 1946 would be introduced during the Fall Veto Session. He stated that staff and legal counsel worked with all staff and legal counsel of all other impacted state and local funds to draft the technical corrections bill.

d. 2011 Legislative Agenda- Furlough Days.

Mr. Rzeszutko and Mr. LeDonne addressed the Board with respect to the impact of furlough days and various options available to both the Funds and the members in the event furlough days are utilized.

6. Investment Committee Update.

a. Schedule IC/EMIC Meeting Dates.

It was moved by Trustee Benjamin and seconded by Trustee Granberry that the Investment Committee meet on December 2, 2010, at 9:00 a.m. prior to the regular Board Meeting.

b. Evergreen

It was moved by Trustee Fitzgerald and seconded by Trustee Granberry that consistent with the recommendations of the Funds' professional staff and the Fund's legal counsel, that the County Fund extend the term of the Evergreen Partners U.S. Direct Fund III for one year and that the Fund's staff, in consultation with the Fund's legal counsel, be authorized to take all action reasonably necessary to effectuate the foregoing including, the execution and delivery of related written documents on the Funds' behalf by the Executive Director.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee Fitzgerald and seconded by Trustee Agnes that the Board convene an Executive Session pursuant to Section 2(c)(7) of the Open Meetings Act, 5 ILCS 120, to discuss matters related to an investment contract.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Benjamin and seconded by Trustee Granberry that the Executive Session be adjourned and that the Board return to open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

At the call of the Chair the next matter was taken out of order.

8. 2011 Budget

It was moved by Trustee Granberry and seconded by Trustee Agnes, consistent with the recommendations the Funds' professional staff that the proposed budget for Fiscal Year 2011 be adopted.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

7. Health Benefit Matters

a. Caremark Contract & Pricing

Ms. Finch addressed the Board with respect to a proposal from CVS/Caremark that included reduced pricing in exchange for an extension of the contract. The Trustees took the matter under advisement.

b. Extending Disease Management

It was moved by Trustee Benjamin and seconded by Trustee Granberry, consistent with the recommendations the Fund's professional staff that the CVS/Caremark Disease Management Program be extended for an additional year, that being the remainder of the contract. It is further moved that the Fund's staff be authorized to take all action reasonably necessary to effectuate the foregoing including, subject to legal review, the execution and delivery of related written documents on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

c. Health Benefit Consultant

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden, consistent with the recommendations of the Fund's professional staff that the proposal to conduct a closed RFP process to retain a Health Benefit Consultant be approved and that the Fund's staff be authorized to take all action reasonably necessary to effectuate the foregoing.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

9. Litigation

a. In the Matter of Michno, 08 RBCC 005

It was moved by Trustee Benjamin and seconded by Trustee Granberry that the Board convene an Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act to discuss litigation pending against the Fund.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee Benjamin that the Executive Session be adjourned and that the Board return to open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee Benjamin and seconded by Trustee Fitzgerald that after consideration of the written submissions of the parties, as well as the Hearing Officer's Recommended Opinion, the hearing be reopened pursuant to Rule 1000.150(b) of the Fund's Procedural Rules Governing Hearings and remanded to the Hearing Officer for the purpose of (i) sending the applicant to a licensed and practicing physician, Alexander E. Obolsky, M.D., appointed by the Board for an independent medical evaluation, pursuant to Article 9, Section 158 of the Pension Code and, (ii) if after consideration of the IME results, the Hearing Officer determines that the applicant is eligible for duty disability benefits, then for the Hearing Officer to consider evidence as to whether the applicant's disability resulted from any defect or disease which existed at the time the alleged duty injury was sustained, within the meaning of Article 9, Section 156 of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

10. Adjournment

After consideration of all other items of business, it was moved and seconded that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

The Board's next regular meeting is scheduled for December 2, 2010.